

# *Introduction*

**H**igh quality managers are essential to improving outcomes for taxpayers and clients of government services. And managers need the tools to transition from business-as-usual to performance-oriented organizations.

But government seldom recognizes the link between clear goals and good implementation. And rarely does the rhetoric about “waste, fraud and abuse” make the essential link between inefficiency and poor performance. As a result, California has not made the strategic investments necessary to create a successful workforce.

This report is the Commission’s third review of the State’s personnel system over the last decade. In 1995 the Commission offered detailed recommendations for reorganizing and re-engineering the fragmented and often dysfunctional personnel system. Among other concerns, the Commission concluded that managers lack the authority, leadership skills and incentives to create effective agencies capable of meeting public goals. In 1999, recognizing that “civil service” reform proposals were controversial and divisive, the Commission examined how other states had managed to make progress and published recommendations for how labor and management could collaboratively craft meaningful improvements. The Commission called for reforms to how the State hires and trains managers and the way in which the State organizes various management positions to build a unified and talented management corps.

In this project, the Commission focused on the management system for two reasons. 1) A strong management corps is essential to improve performance throughout state government, and 2) because managers are not covered by collective bargaining, the management corps could be a place to begin the re-engineering that ultimately should include the entire personnel system.

To explore this topic, the Commission drew upon a range of resources and experts to assess the existing problems and the promise of reforms. The Commission held two public hearings to consult with experts from within California state government and seek guidance from national leaders. It consulted with a director of the U.S. Government Accountability Office, a former director of the U.S. Federal Executive Institute, the current and past presidents of the National Association of State Personnel Executives and veteran managers who have

demonstrated leadership in state service. It also heard from the Association of California State Supervisors and reviewed the work of the Excluded and Exempt Employee Salary-Setting Task Force. A list of hearing witnesses is in the appendix.

The Commission also examined the personnel and management reforms recommended by the California Performance Review. While this project was underway, the Commission also held hearings at the request of the Schwarzenegger Administration on the CPR's approach to reorganizing state government. During that project the Commission met with Leon Panetta, the former White House chief of staff and director of the U.S. Office of Management and Budget; Paul Volcker, the former chairman of the Board of Directors of the Federal Reserve System and chairman of the National Commission on the Public Service, among others. Those meetings led to the Commission report: *Historic Opportunities: Transforming California State Government*.

This project draws from the lessons outlined in *Historic Opportunities* and is guided by a decade of Commission efforts to improve the operations of public programs and provide better outcomes to residents of California.

If implemented, the recommendations in this report will ensure that the state's management workforce is empowered and equipped to improve outcomes for the clients of public services and safeguard taxpayer interests.